



## THE NEW *Generation Rent*

*Retirees are not too rich (or posh) to rent, as Jane Slade discovers*

It's not just the promise of spas, restaurants, and apartments driving the luxury retirement property market today – but a mouth-watering menu of rental choices.

Knight Frank's Senior Living Annual Review 2020, anticipates that the number of private senior living rental properties in the UK will increase by a staggering 160% in the next five years, from almost 5,000 currently to more than 13,000 by 2024.

Even in the United States, where the retirement market is more mature, there has been a rise in retiree renters.

A 2018 study, Housing America's Older Adults published by Harvard University found nearly a quarter of households

aged 50 and over now rent.

More interesting is the trend for rentals at super-prime developments.

Auriens in Chelsea launched to grand fanfare in 2017, stunning the market with its fabulous facilities of private cinema, speakeasy bar and wine room, but numbing even deep-pocketed locals with its £3million starting price for a one-bed apartment.

So now Auriens' 56 homes are being sold as rental-only – described as 'an Auriens lease' which cost from £13,700 a month but includes utilities, insurance, broadband and council tax.

"The Auriens lease has been carefully designed to offer security of tenure whilst allowing complete flexibility," explains CEO David Meagher. "The lease includes a three-month notice period and avoids costs associated with purchasing property such as stamp duty of a deterred payment." ([www.auriens.com](http://www.auriens.com))

The key attractions with renting are; no stamp duty; no exit fees and if the owner dies or moves, the family is not saddled with trying to sell the property. The other attraction is being able to free up equity to spend or pass to children.

High end operators are reaping the benefit of adding rentals to their mix of purchase options, at a time when sales have been sluggish.

Mark Dickinson, CEO of Lifestory, which has several high-end, later-living schemes, is offering rental at all of them including its latest, Fitzjohn's in fashionable Hampstead village where 29 one, two and three-bed homes are priced from £2,220,000.

"We provide our clients with a choice of buying or renting," Dickinson explains. "On average we have rented a home a week over the past year which is a lot and reacted to what our customers want.

"Not owning a home will simplify things in the future. We are seeing families releasing equity to younger generations – so this market has changed.

"I see this becoming increasingly prevalent within our market. At some stage we will see 100% rental." ([www.fitzjohnsnw3.com](http://www.fitzjohnsnw3.com))

It's not just big operators offering rentals either. Smaller ones

like family-owned Newlands of Stow, a collection of Cotswold-stone cottages and apartments, a short canter from Cirencester Polo Club ([www.newlandsofstow.co.uk](http://www.newlandsofstow.co.uk)), and sister scheme, Bridge House in Twyford ([www.bridgehouseoftwyford.co.uk](http://www.bridgehouseoftwyford.co.uk)) – 15 minutes from Michelin-star restaurants, The Fat Duck and Waterside Inn in Bray - have charming later-living homes to buy or rent, with on-site care and nursing.

It signals a shift in financing too. Insurance companies like Legal and General which owns Inspired Villages and Guild Living are happy to have a constant income stream from rental properties to fund their pension schemes, rather than those funded by banks which want their investment back as soon as possible.

Inspired currently has six villages in Hampshire, Cheshire, Warwickshire and Kent with plans to build 28 more. All of them including its flagship villages Great Alne Park, Gifford Lea and Austin Heath will have homes to rent, for sale and part exchange.

James Cobb, Inspired director explains, "We offer rental across all our portfolio and are seeing that become increasingly popular in recent times - last year 12% of customers chose to rent a property and so far this year, 20% have." ([www.inspiredvillages.co.uk](http://www.inspiredvillages.co.uk))

Honor Barratt is managing director of Birchgrove, the nation's first all-rental extra-care retirement model.

"Renting isn't in competition with the "for sale" model, it's a valuable alternative," she insists.

"At Birchgrove, we're 100% committed to renting in retirement, but many other operators are committing up to



50% of their housing stock to the rental model.”

Birchgrove is launching its fifth development Banstead Place, a four-acre estate and grade II listed former Georgian stately home, in Surrey. ([www.birchgrove.life](http://www.birchgrove.life))

Brio Retirement offers homes to rent, buy, and part-buy-part-rent.

“Renting gives our customers the freedom to decide whether to sell or keep their family home – it gives the entire family time to discuss long-term needs,” argues Brio’s director of Operations Karl Hallows.

Rents start at £1,910 a month at Beechwood Park, a village of 106 bungalows and apartments in Stow-on-the-Wold in Gloucestershire, £850 in Landale Court on the Aberdeenshire Coast and £1,671 at its newest scheme Button House, a complex of 80 homes in Hackbridge, South London. ([www.brioretirement.co.uk](http://www.brioretirement.co.uk))

“We offer a range of purchase, rental and combined

options as no two customers are the same,” Karl explains.

“The value of offering a variety of options – particularly rental – to our customers means that we can offer our developments to those wishing to embrace a number of lifestyle choices during retirement.

“Renting is a great option for those customers keen to keep their original family homes, those wishing to free up assets which can be invested for retirement, or customers keen to move quickly into an assisted living property. Rental properties offer more flexibility than an outright purchase option – and for those wanting to combine the two, we offer part rent part buy too.”

So it looks like rentals are not only here to stay but will be the preferred choice for retirees. They will be the new ‘it’s cool to rent’ generation.

*Jane Slade is founder of the retirement property website [www.retiremove.co.uk](http://www.retiremove.co.uk)*